



State of North Carolina Office of Information Technology Services

Michael F. Easley, Governor

George Bakolia, State Chief Information Officer

May 18, 2004

The Honorable Marc Basnight, Co-Chair
President Pro Tempore of the Senate
Joint Legislative Commission on Governmental Operations
2007 Legislative Building
Raleigh, NC 27601-2808

The Honorable James B. Black, Co-Chair
Speaker of the House of Representatives
Joint Legislative Commission on Governmental Operations
2304 Legislative Building
Raleigh, NC 27601-1096

The Honorable Richard T. Morgan, Co-Chair
Speaker of the House of Representatives
Joint Legislative Commission on Governmental Operations
301 Legislative Office Building
Raleigh, NC 27603-5925

RE: Executive Branch Information Security Assessment Required under G.S. §147-33.82(e1)

Dear Senator Basnight and Representatives Black and Morgan:

As State Chief Information Officer and as Secretary of the Information Resource Management Commission, I submit for your review a public report that summarizes the results of an information technology security assessment of executive branch agencies. Also enclosed with this letter is a chart that provides the overall information security rating for each agency that was assessed.

The enterprise-wide assessment is the result of the General Assembly mandate contained in G.S. §147-33.82(e1), which directed that the State Chief Information Officer assess the ability of each executive branch agency to comply with the current security enterprise-wide set of standards. The General Assembly also asked for current agency expenditures for information technology security, and an estimate of the cost of bringing all agencies into full compliance with the current standards.

Twenty-five agencies were assessed and provided with a detailed report that evaluates their information security strengths and weaknesses. These formal assessments include the rate of compliance with the standards in each agency and an assessment of each agency's security

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organization, network security architecture, and current expenditures for information technology security. The assessments also estimate the cost to implement the security measures needed for each agency to fully comply with the standards. This public report summarizes the status of the assessment.

The effort expended by the staff of the North Carolina Office of Information Technology Services, industry experts selected to assist and the individual agencies to ensure a successful and thorough assessment was extraordinary. I commend all parties for working under extreme time constraints and for bringing the project in \$200,000 under the budgeted \$2 million. The assessment was truly a cooperative endeavor. I thank the agencies for their dedication of untold hours to provide the outside experts with the most complete information possible. I also wish to thank all of those outside participants who worked with us on the project: Gartner, Inc., which headed the Project Management Office and developed the assessment tool; and, the companies which performed the individual assessments – AlphaNumeric, Ciber, Cii, Ernst and Young, HCS, Pomeroy, Secure Enterprise, and Unisys.

The assessment results recommend a statewide approach to many information security initiatives, such as enterprise security awareness and training, improved risk management and business continuity plans. Gartner, Inc. recommends initial funding at a total of \$52.9 million, with \$38.8 million being used to replace outdated desktop operating systems throughout the executive branch, a move that will improve security of the state's network. Of the balance, funding is recommended to increase the levels of security staffing in agencies and to improve perimeter defenses on agency networks.

The assessment finding that an enterprise approach optimizes information technology security is consistent with the conclusions of two other legislatively mandated studies: a study of information technology expenditures in state government by the Office of State Budget and Management; and, the preliminary study of the state's legacy systems. The budget office study concluded that centralization of authority over the management of information technology inventory and procurement for enterprise, or common, programs can benefit the state significantly.

If I can provide you with any additional information, please let me know.

Sincerely,

George Bakolia

Enclosures

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Representative Richard T. Morgan
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cc: Joint Legislative Commission on Governmental Operations
Janet Smith, Acting IRMC Chair
Ann Garrett, ITS Chief Information Security Officer
Lynn Muchmore
Mona Moon